

Health AND Fiscal Policy:

What Every Funder Should Know

Budget and tax policy issues are not typically at the top of a health funder's list of important priorities. Understanding economic models and forecasting can be tough going and impenetrable to all but the most dedicated policy wonks. But fiscal policy should not be the province of just accountants and economists. Given the amount of public expenditures devoted to health and concerns about the impact of changes in public policy on the nation's most vulnerable residents, health grantmakers need to understand existing state and federal policies affecting revenues and expenditures and the implications of any changes on the table. They can also play an important role in the development and implementation of these policies.

Consider the following:

- Health needs are growing. The number of people without health insurance coverage rose by 1.4 million to 45 million in 2003. At the same time, the nation's official poverty rate rose from 12.1 percent in 2002 to 12.5 percent in 2003 (DeNavas-Walt et al. 2004). Despite increased funding for emergency preparedness, the states remain only modestly better prepared to respond to health emergencies than they were prior to the September 11th attacks (Trust for America's Health 2003). Rates of overweight and obesity continue to rise among both children and adults.
- Federal resources are increasingly strained. The current federal deficit amounts to slightly over 4 percent of the gross domestic product (GDP). Left unchecked, this deficit will grow to 10 percent of the GDP by 2040, crowding out private investment and requiring massive cuts in Medicare, Medicaid, and other domestic programs (Aaron 2004). The most recent information from the federal Office of Management and Budget suggests that next year's budget will put cuts in nearly every discretionary domestic program on the table, even typically favored programs like health services for veterans (Kamin et al. 2004).
- States have limited ability to respond. Beginning in fiscal year 2001, real state revenues declined for eight straight quarters, forcing stark budget cuts and tax increases, and draining reserve funds. Although this trend has now stabilized, state expenditures are growing minimally with at least 10 governors proposing negative growth budgets for 2005 (National

HEALTH GRANTMAKERS WEIGH IN ON FISCAL POLICY

Health foundations of varying assets and missions are working toward more just and equitable budget and tax policies. Examples include:

- Connecticut Health Foundation has funded Connecticut Voices for Children to conduct an educational campaign to increase the public's understanding of the impact of state budget choices on children and other vulnerable populations.
- The California Wellness Foundation and The California Endowment are working with communications strategists on issues related to protecting and expanding public insurance programs and are training advocates in message development.
- The Public Welfare Foundation is providing funding to the Georgia Budget and Policy Institute to develop reliable analyses of state revenue options affecting Georgians in need.
- The Boston Foundation and the Jessie B. Cox Charitable Trust supported a campaign advocating for an increase in the cigarette excise tax in Massachusetts.

Association of State Budget Officers and National Governors' Association 2004). Even the most popular programs are at risk. Six states – Alabama, Colorado, Florida, Maryland, Montana, and Utah – have stopped enrolling eligible children in their respective State Children's Health Insurance Programs. And while states have been reluctant to cut K-12 education, in several key states, 2005 funding levels fall short of the amount needed to maintain current services, let alone restore previous cuts (Ross and Cox 2004).

Under these conditions, health funders are being asked to fill gaps left by cuts in public programs. While concerned about those left without when benefits and services shrink, this is only a short-term strategy. First, the resources are insufficient for the task. As Mark Smith of the California HealthCare Foundation

points out, the annual payout for his foundation roughly equals the size of the annual increase needed by just one of the state's mid-sized safety net hospitals to take care of patients without coverage (Smith 2001). Second, private philanthropy can work with those in government to complement public programming, but should not be called upon to take on governmental responsibilities.

Funders are also being called upon to support the work of advocates fighting to save particular programs. In Colorado, Connecticut, Ohio, Massachusetts, and other states, health grantmakers are funding analyses of specific proposed changes in their states' Medicaid and SCHIP programs. Over the long term, however, it will be important to weigh in on tax and budget policy decisions, which are often the first in a cascading set of policy choices that have a critical impact on the well-being of the beneficiaries of public programs.

STRATEGIES FOR HEALTH FUNDERS

Where to start? Health grantmakers can employ a number of different strategies in shaping more just and equitable fiscal policies. They can help build analytic capacity among advocates and foster the development of credible, neutral voices in state and local budget debates. They can assist in developing and disseminating messages that resonate with the public and create an imperative for policymakers to act. They can fund public awareness and organizing campaigns to implement specific tax reforms. And they can work with funders concerned about economic development, poverty, child welfare, and education (as well as the advocacy communities in these sectors) so that policies focus on improving well-being overall, rather than creating a zero sum game among different human service providers.

Work on fiscal policy issues will be a challenge for many health funders. It requires learning a new language, developing new relationships, and understanding the legally permissible roles for foundations choosing to engage in the policy process. Trustees, staff, and partners must understand the connection between health improvement and budget and tax issues, and embrace the work as fundamental to the organization's mission. It will also require patience. Both the efforts and the consequences are for the long term, and cannot be expected to yield positive, sustainable outcomes in a short period of time.

ABOUT THIS FOLDER

The enclosed materials provide grantmakers with background information on the link between federal and state fiscal policies and health. The articles included in this folder are:

- Understanding Fiscal Policy: A Primer for Health Funders,
- Supporting Advocacy and Policy Analysis,

- Designing and Disseminating Effective Messages,
- Engaging on Tax Issues, and
- Thinking (and Acting) Outside the Health Box.

These materials are intended to bolster philanthropic efforts in addressing health and fiscal policy concerns by highlighting how foundations and corporate giving programs are already taking action and providing information on opportunities for grantmakers to get involved. Additional resources on health and fiscal policy provide information on organizations and publications that may be of interest to individuals desiring more information on specific issues or strategies.

Although the enclosed articles were produced for GIH's 2004 Fall Forum, we are hopeful that they will serve as a lasting resource for grantmakers working to improve the nation's health. Other materials relevant to how grantmakers can influence policy are available on-line at www.gih.org, particularly on the "Connecting Policymakers and Grantmakers" page.

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Understanding Fiscal Policy:

A Primer for Health Funders

Decisions about public revenues and expenditures have tremendous significance for health care delivery and health outcomes. Growth in health care costs, declining tax revenues, the growing federal deficit, and pressures on states to balance budgets now set the context for health policy decisions on the future of Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP); the plight of the uninsured; the resilience of the safety net; and other public health programs. The effects of this fiscal crisis are particularly acute for the most vulnerable among us, including low-income, working families who rely on state-sponsored services for health care and other social services programs. This document is meant to provide health grant-makers with a clearer understanding of current trends in revenues and expenditures at the state and federal levels. Issues explored include a discussion of state and federal deficits, trends in program expenditures and revenue collection, and policy choices facing decisionmakers at various levels of government.

FEDERAL AND STATE GOVERNMENTS FACE SUBSTANTIAL DEFICITS

After strong federal surpluses in the late 1990s, the federal government is once again in deficit. This year's federal budget deficit is projected to reach \$422 billion. Although this level is a record in terms of the sheer dollar amount, it is actually slightly lower relative to the size of the economy at 3.6 percent of the nation's gross domestic product (GDP) than the deficits of the mid-1980s, when the deficit often exceeded 4 percent of the GDP.

In the short term, economists are not particularly troubled by deficits. In fact, running a deficit (by boosting federal spending for certain types of activities) can help jumpstart a sluggish economy. What is troubling about the current situation is that outlays are expected to exceed revenues through 2014, during which time the nation will accumulate \$2.3 trillion in new debt (Congressional Budget Office 2004). Moreover, the deficit will grow to \$3.6 trillion if federal tax cuts currently set to expire in 2011 are extended. It is these long-term deficits that have economists worried. Over time, persistent public deficits will crowd out private investment or

In a recent commentary in the journal *Foreign Policy*, Alice Rivlin, former director of the Congressional Budget Office, commented:

In many ways, the current deficits are even more dangerous than those of the 1980s. The retirement of the baby boom generation is two decades closer. Moreover, the United States has shifted from being the world's largest creditor to being the world's largest debtor, and a far more substantial portion of U.S. public debt is held by foreigners, especially Asian central banks. This dependence makes the United States vulnerable to the shifting moods of international investors (Rivlin 2004).

trigger increased borrowing from abroad. Reduced national savings will result in reductions in future national income (Orszag 2004).

The outlook at the state level is also troubling. Although conditions are slowly improving, states have faced multiple years of projected deficits: close to \$40 billion for fiscal year (FY) 2005, following deficits of \$40 billion in FY 2002, \$75 billion in FY 2003, and \$80 billion in FY 2004 (Lav 2004). Moreover, given that most states are required by law to balance their budgets, the impact, particularly on low-income working families, is immediate. For example, over the past several years:

- 34 states cut health insurance eligibility;
- 21 states raised or created new cost-sharing requirements for beneficiaries of public insurance;
- 32 states cut eligibility for child care subsidies or otherwise limited access to child care; and
- 34 states saw a drop in real per pupil aid to school districts for elementary and secondary education (McNichol and Harris 2004).

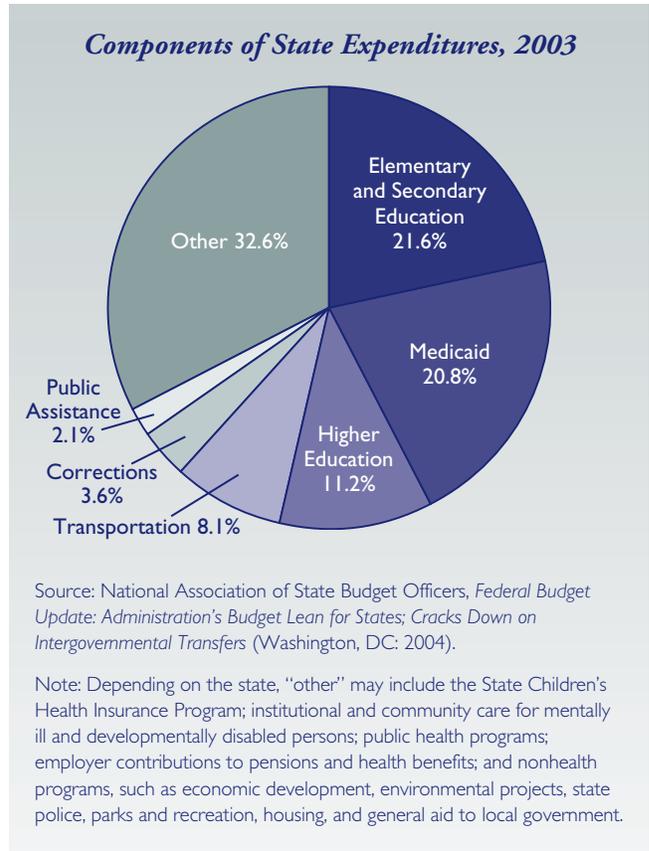
DEFICITS: THE CURRENT REALITY, FUTURE PROJECTIONS

In order to reverse these trends, it is first important to understand why they came about in the first place. Part of the federal deficit reflects recent policy choices. According to the Center on Budget and Policy Priorities, the nation went from a projected surplus of \$5 trillion in January 2001 to a projected deficit of \$4.3 trillion, in large part due to tax cuts (Kogan et al. 2004). Others point to new federal expenditures, such as those to support homeland security and the wars in Iraq and Afghanistan.

Looking ahead, growth in spending for Social Security and Medicare are also important factors in future deficit projections. Social Security, Medicare, and Medicaid currently cost the federal government about 8 percent of the GDP. By 2050, this percentage is expected to reach 18 percent of the GDP. This reflects both the aging of the baby boom generation and increased life expectancy. In addition, growth in Medicare and Medicaid primarily reflect growth in health care costs (Orszag 2004).

At the state level, deficits primarily reflect the poor performance of the economy. Job losses and the decline of the stock market translated into depressed revenues from income taxes and capital gains taxes. The downturn in the economy also affected sales tax collection, which accounts for about one-third of all state tax revenues (McNichol and Harris 2004).

States are also somewhat at the mercy of federal policies. For example, federal tax cuts enacted in 2001, 2002, and 2003 reduced state revenues because of links between state and federal tax codes. Other federal policies negatively affect-

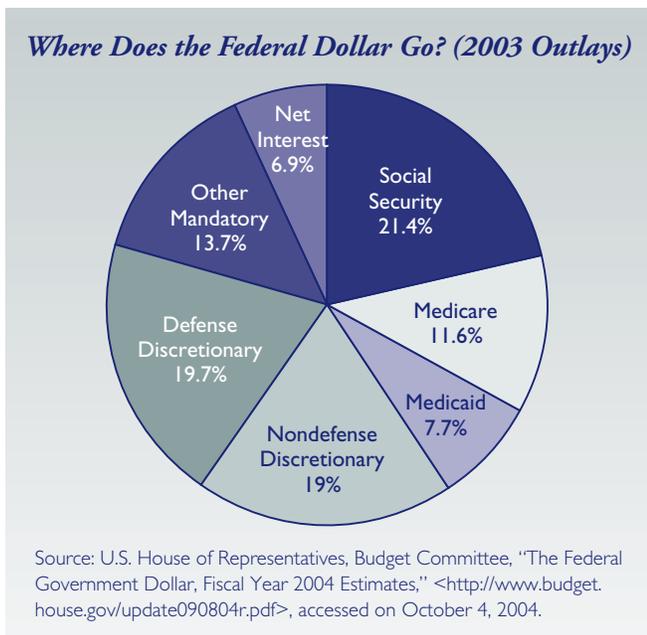


ing states include bans on states from imposing taxes on some transactions, such as purchases made over the Internet; and inadequate federal contributions to implement the No Child Left Behind legislation and to the health care costs of low-income Medicare beneficiaries. Some of the nation's poorest states have experienced the largest losses in federal assistance, including Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, and West Virginia (Center on Budget and Policy Priorities 2004).

Overall, the total real decline in per capita state revenues between 2001 and 2003 was \$57.7 billion. Although 30 states have raised taxes since 2001, these increases have only added back \$19.6 billion to state treasuries (Lav 2004).

Another source of pressure on state governments is rising expenditures. Unlike the federal government, most states have balanced budget requirements. When revenues are down, states face particularly tough choices about which public programs to keep and which to scale back or eliminate.

Medicaid expenditures are of particular concern for states. On the one hand, Medicaid is part of the safety net for individuals most affected by economic downturns. On the other, Medicaid is one of the largest sources of expenditures in many state budgets and its costs have risen faster than any other programs. Despite the provision of federal fiscal relief in 2004, few expect such relief to continue. In fact, in a



Kaiser Family Foundation survey of state Medicaid directors, 39 percent reported that pressures on their programs were growing. Another 12 percent reported that they remain under constant intense pressure (Kaiser Family Foundation October 2004).

Three factors have driven recent growth in Medicaid spending: increases in the number of beneficiaries, increasing costs of medical services, and growth in the cost of prescription drugs (Kaiser Family Foundation October 2004). An increasing source of pressure on state Medicaid programs is the costs associated with dual eligibles, low-income individuals who also qualify for Medicare. Although Medicare acts as the primary source of coverage for these individuals, Medicaid pays all cost sharing (premiums and copayments). It also foots the bill for services not covered under Medicare. Although the nation's 7 million dual eligibles comprise only 16 percent of total Medicaid beneficiaries, they account for 42 percent of program spending, largely due to the fact that long-term care expenditures account for 65 percent of Medicaid spending for this population (Kaiser Family Foundation January 2004).

Until recently, Medicaid was also responsible for prescription drug coverage for dual eligibles. In FY 2002, for example, spending on prescription drugs for dual eligibles was 14 percent of total Medicaid expenditures (Kaiser Family Foundation January 2004). Beginning in 2006, Medicare is slated to assume this coverage for beneficiaries enrolling in the new Part D prescription drug benefit. The new Medicare law does not entirely relieve states of these costs, however. In fact, under a provision referred to as the clawback, states are required to cover a portion of the costs associated with drug coverage for dual eligibles. Moreover, the costs of new administrative requirements for determining which beneficiaries are eligible for low-income subsidies will also be borne by the states.

FISCAL FIXES

There are no easy choices facing policymakers. States have already exhausted many of their options, including dipping into fiscal reserves; borrowing; and, in some cases, using budget gimmicks. The economy is rebounding slowly, and most states continue to address deficits primarily through spending cuts. Every state implemented at least one Medicaid cost containment strategy in FY 2004, and all report specific plans for additional steps in 2005. Some analysts point to the need to focus on revenue options as well. Lav (2004) argues that negative tax growth is the principal reason for state deficits, noting that overall spending is growing at rates comparable to other time periods and real per capita spending is declining.

Moreover, states are empowered, to a great extent, to make choices about their revenue systems. States could pursue options such as raising income taxes or, as in the case of Alaska, New Hampshire, and Texas, implementing personal state income tax structures where none currently exists. Though these strategies could help in the short term, few states have a desire to pursue strategies that burden residents with new expenses.

States can also decouple their taxing structure from that of the federal system. Simply put, this means that states have the option of not relying on federal tax rules for things like estate taxes in determining the amount of state taxes an individual or organization should pay. States that do not decouple are expected to lose an estimated \$9 billion over fiscal years 2002 to 2005 (Lav and Brecher 2004).

Most experts agree that the federal government will not be able to grow out of the deficit with expansion of the economy. Just consider the magnitude of the gap. As Brookings Institution scholar Peter Orszag (2004) notes:

Paying for the full tax cuts in 2014, for example, would require a 48 percent cut in Social Security benefits; complete elimination of the federal part of Medicaid; or an 80 percent cut in all domestic discretionary spending (such as for environmental protection, education, and health research). If the reductions were spread across all government programs, they would require a 12 percent reduction in all non-interest government spending.

At issue, however, is the mix of changes in taxes and expenditures. Some conservative activists want policymakers to focus on what they consider runaway spending. Others suggest that the tax cuts are part of a strategy to starve the federal government of resources needed to fulfill its obligations (Kamin et al. 2004). Long-time budget expert Eugene Steuerle points to the need to consider both sides of the equation. "In the modern era, most spending no longer is directed at such basic functions as justice and defense, but rather at some redistribution of benefits," he notes. "With redistributive policy, the spending and tax sides must be considered together" (Steuerle 2004). Options on the table include caps on domestic discretionary spending, scaling back the 2001 tax cuts, making all earnings subject to Social Security tax, and changing the rules of the budget process to ensure that tax cuts are paid for through offsetting spending or tax changes over a 10-year period (Rivlin and Sawhill 2004). Choosing among these alternatives will be the major task facing the Congress and the White House over the next several years.

GLOSSARY

Tax and budget policies have their own lexicon. Here are some definitions for commonly used terms:

Discretionary spending: Spending for which there is no legal obligation; the opposite of an entitlement.

Entitlement: A legal obligation on a government to make payments or provide services to an individual who meets the criteria set in the law. Medicaid and Medicare are entitlements; spending is determined by the number of eligible persons and the services they use rather than based on an annually appropriated amount of funds.

Excise tax: A tax for a specific type of good or service such as a tax on tobacco products or distilled spirits.

Gross domestic product: A measure of the size of the economy calculated by including the income that residents earn from investments abroad and excluding the capital income that nonresidents earn from domestic investment.

Real (as in real dollars or real spending): Adjusted to reflect the dollar value of inflation.

Outlays: Actual expenditures. Contrast with budget authority, which is the authority to spend money. A good analogy is to think about how credit cards work. Budget authority is the credit limit. Outlays are the amounts charged for goods or services.

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ENGAGING

on Tax Issues

Federal, state, and local tax policies affect the health and well-being of individuals, families, and communities. They influence the amount of money individuals and families have available to pay for health care, nutritious food, and safe housing. Tax policies may affect where people can afford to live, which children attend adequately funded schools, and where businesses choose to set up shop. Tax policies also determine how much public funding is available to support health programs and other vital services for the populations and communities that grantmakers care about.

Grantmakers whose missions and goals include improving the welfare of disadvantaged populations, therefore, have a stake in ensuring that tax policies are fair and that they distribute the tax burden equitably across income groups. Similarly, grantmakers committed to ensuring access to public programs that promote healthy people and communities have an interest in ensuring that tax policies provide sufficient revenue for publicly funded programs and services.

Many grantmakers have weighed in on the spending side of public policy, but the revenue side of the equation is equally important. Across the country, grantmakers are playing a leading role on revenue and tax matters by supporting policy work, funding advocacy, or helping eligible families take advantage of tax credits.

GRANTMAKERS ARE SUPPORTING POLICY WORK ON TAX ISSUES

One way to approach work on tax issues is to support efforts to understand the impact of tax policies on individual, family, and community well-being. On a national level, a group of foundations that includes The Annie E. Casey Foundation and the Charles Stewart Mott Foundation sponsors the State Fiscal Analysis Initiative (SFAI), a project of the Center on Budget and Policy Priorities that analyzes state financing and budget issues. SFAI has been a leading voice on federal tax proposals, the impact of federal policies on state revenues, and spending and revenue options for states. In recent years, in response to state budget crises, SFAI has analyzed the pros and cons of various methods of enhancing state tax revenues, including expanding state sales taxes, eliminating corporate tax breaks, decoupling state estate taxes from federal taxes, and increasing excise taxes. In addition to conducting its own analyses of state fiscal conditions, SFAI provides technical assistance to 28 state organizations working on state tax and budget issues.

Grantmakers are also supporting policy work on taxes at the state and local levels. The Public Welfare Foundation, for example, has made a commitment to supporting policy work on tax issues as part of its health agenda. In Maryland, the foundation's support has enabled the Maryland Budget and Tax Policy Institute to examine state revenue policies and conduct a survey on voters' views on the choice between higher taxes and service cuts. It also published reports on closing corporate tax loopholes and restructuring the state's personal income tax system to make it more progressive. Public Welfare Foundation grants in other states have supported, among other things, an examination of state revenue enhancement options in New York, an analysis of South Carolina's budget crisis, and public education on Tennessee's regressive tax on food.

GRANTMAKERS ARE SUPPORTING ADVOCACY ON TAX ISSUES

Grantmakers can work to change tax policies in their states and localities, either directly or through grantees. The George Gund Foundation is one example of a foundation that has taken an active role in advocating for fair tax policies that provide sufficient state revenues to fund critical state programs. In 2004, the George Gund Foundation joined with the Center for Community Solutions, Children's Defense Fund – Ohio, AARP – Ohio, and the Public Children's Services Association to support the *Emergency Campaign to Protect Ohio's Future*. The aim of the campaign was to educate the public and policymakers about the consequences of a proposed early repeal of a temporary one-cent sales tax. By reaching out to citizens, the media, and policymakers, the campaign was successful in convincing state legislators to maintain the temporary tax, thus safeguarding funding for programs that protect the state's most vulnerable populations.

The foundation's support for the emergency campaign was a logical extension of its ongoing support for The Center for Community Solutions, an independent nonprofit organization that seeks to improve health and human services in Ohio. The foundation's funding has helped the center organize a broad-based coalition that works on tax and budget issues, launch a successful campaign to renew an expiring county tax that supports services for vulnerable populations, and complete a study of Ohio's tax structure.

Grantmakers are also playing a role in advocating for increases in excise taxes. Increases in excise taxes on products like cigarettes and alcohol have a dual benefit: not only do they enhance

state revenue that can be used to support important programs, they also decrease use, especially among teens, who are particularly sensitive to price increases. In one example, The Boston Foundation and The Jessie B. Cox Charitable Trust supported a campaign advocating for an increase in Massachusetts' cigarette excise tax. While the primary goal of the campaign was to generate public funds to support expansions in the state's public health insurance coverage, the campaign's plan also called for a portion of the new funds to be used to hire community health workers for outreach and disease prevention efforts.

GRANTMAKERS ARE SUPPORTING TAX ASSISTANCE, OUTREACH, AND EDUCATION

With the correlation between poverty and poor outcomes for children, families, and communities, grantmakers have a strong motivation to improve the economic outlook for families (Phipps 2003). One way to do this is by helping eligible families apply for tax credits, such as the Earned Income Credit (EIC). The EIC is a refundable tax credit for low- and moderate-income people who work that can reduce their tax burden; increase their refunds; and, for some, offset other taxes they may pay, such as payroll taxes (Center on Budget and Policy Priorities 2004). Qualified federal income tax filers who are raising children can receive part of their EIC in their paychecks throughout the year, boosting their income; these families receive the rest of their EIC in a check after filing a federal tax return. The credit ranges from just over \$380 to over \$4,200, depending on income and household characteristics.

On a national level, The Annie E. Casey Foundation is a leader in providing information, technical assistance, and financial support for efforts to educate low- and moderate-income populations about tax issues and provide tax preparation assistance. Through its *National Tax Assistance for Working Families* campaign, the foundation is supporting work in 23 sites to promote greater awareness of tax credits, including the EIC and the Child Tax Credit; provide low-cost or free tax preparation; and encourage the use of tax refunds to help low- and moderate-income families build assets by contributing to a savings account, starting a business, or purchasing a home.

Local foundations are also playing a key role in catalyzing community-based tax outreach and assistance campaigns. The Quantum Foundation in Palm Beach, Florida, and The Bernard and Audre Rapoport Foundation in Waco, Texas are both providing leadership in their communities to educate families about the EIC and other tax credits. The Quantum Foundation partnered with the board of county commissioners to educate low-income individuals and families about the EIC and help them claim an estimated \$11 million in unclaimed credits in Palm Beach County. Together, the partners supported free tax preparation services at centers that are open during the entire tax season at locations and times that are convenient for working people. The campaign was not only successful in increasing the number of eligible families claiming the EIC and other tax credits, it also served as a gateway to

eligibility for other programs serving low- and moderate-income individuals and families.

The Bernard and Audre Rapoport Foundation initially worked with the Internal Revenue Service (IRS) to identify local populations in and around Waco that were not claiming the EIC. The foundation then formed a coalition to get the word out about the EIC and free tax preparation services. The *Heart of Texas Financial Literacy Coalition* has grown to include dozens of organizations and over 100 individuals, including key partners such as the AARP and the City of Waco. The AARP, an early partner, contributed free tax preparation at its own sites, as well as training for volunteers at additional sites, while the City of Waco included information about the EIC and the tax assistance sites in city water bills and produced television and radio public service announcements in English and Spanish, among other contributions. The coalition has been successful in increasing the number of individuals and families claiming the EIC, resulting in an additional \$3 million coming back to the community in the 2002 tax year.

CHALLENGES OF TAX-RELATED GRANTMAKING

Like other work on controversial issues, philanthropic support for work on tax issues brings with it some challenges. Among these are:

- **Internal Revenue Service rules on lobbying** – Some foundations shy away from policy and advocacy work for fear of running afoul of IRS rules on lobbying. In reality, there are many roles for foundations and their grantees that fit within the IRS' regulatory framework. For more information about IRS rules on lobbying, see Grantmakers In Health's publication *Strategies for Shaping Public Policy. A Guide for Health Funders*, available on-line at www.gih.org.
- **Building coalitions and establishing trust** – As with many other complicated issues, the route to success on tax issues frequently includes building coalitions. Especially when times are tough, foundations have a unique capacity to bring disparate partners into coalitions and help them overcome turf issues.
- **Resistance to tax changes** – Whether advocates are looking to raise cigarette excise taxes, close corporate loopholes, or reduce reliance on regressive taxes and fees, someone will have a vested interest in the status quo. Foundations can play a vital role in helping identify the most effective messages and strategies for educating the public and overcoming resistance.

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SUPPORTING

Advocacy and Policy Analysis

Budget decisions and other fiscal policies determine the amount of public funding available to health programs and, therefore, influence the health and well-being of individuals and communities. Prerequisites for fair and equitable tax policies are the availability of reliable information and objective analysis, the input of those directly affected by these policies, and informed decisionmakers. Unfortunately, these factors are not always in place when budget decisions are made. Advocacy efforts (including lobbying activities, public information campaigns, and research dissemination) and the analysis of proposed policies serve as tools for ensuring that fiscal policies are developed with these factors in place.

Grantmakers interested in improving the health of individuals and communities are turning to advocacy and policy analysis. Many foundations have increased funding for health policy to leverage limited foundation resources and contribute to long-term solutions. According to a study by the Foundation Center, grant dollars targeting health policy activities more than tripled from 1995 to 2002, from just under \$100 million to nearly \$360 million. Moreover, funding for health policy activities captured 12.5 percent of the health grant dollars in 2002, up from 9 percent in 1995 (Lawrence 2004). Grantmakers are learning that support for policy and advocacy complements grants for direct services, with the potential to effect broader change and benefit a greater number of people.

OPPORTUNITIES FOR GRANTMAKERS

There are various ways for health funders to support advocacy and policy analysis on budget and tax issues. Strategies include funding policy analysis and dissemination, investing in the development of policy institutes and think tanks, building advocacy capacity, and supporting specific advocacy campaigns.

► **Funding policy analysis and dissemination** – Grantmakers are funding research and policy analysis to educate policymakers about the impact of fiscal policy on health. For example, The Nathan Cummings Foundation provided a major grant to the National Women's Law Center (NWLC) in support of the *Tax Policy Analysis and Communications Project*, an effort to facilitate an ongoing, educated debate about the role of taxes in advancing a social, economic, and environmental justice agenda. NWLC will educate policymakers and the general public about the implications of additional tax cuts and other tax and budget policy proposals. Funding for this project will also support the

organization's involvement as cochair of Fair Taxes for All (FTFA), a coalition of more than 325 organizations coordinating a national response in opposition to large tax cuts. FTFA's objective is to shift the dialogue to long-term strategies for progressive and equitable tax policy. Staff will provide support to the coalition's field task force and state advocacy efforts, including preparing materials for advocates, policymakers, and the media on the impact of emerging proposals on the health of low-income families and on the ability of government to protect the environment.

Funders working at the local and state levels are funding activities to document the impact of fiscal decisions on their communities. For example, The Boston Foundation funded the Massachusetts Health Policy Forum to study the impact of state funding cuts on health outcomes, make recommendations on future public health funding, and disseminate this information to policymakers and other stakeholders. Approximately 30 percent of the Massachusetts Department of Public Health's budget has been cut from 2001 through 2004 (totaling \$158 million), resulting in deteriorating levels of public health service. Funding was provided under the foundation's *Understanding Boston* initiative, a series of forums, educational events, and research that provides information on issues affecting Boston, its neighborhoods, and the region.

At the state level, because Georgia lacks an independent source for fiscal policy analysis, the Healthcare Georgia Foundation released a request for proposals to analyze the impact of state budget and fiscal policies on access to health care, health outcomes, and public health services. A broad range of projects was considered, including analyses of overall budget priorities or the impact of state budget cuts on health programs and services, tax options with direct health effects or those generating revenue for health programs, the economic impact of the state Medicaid program, and the long-term effects of budget and tax policies and economic trends on health and health care in Georgia. The foundation reviewed seven full applications and has awarded grants, ranging from \$25,000 to \$75,000 per year for one to two years, to three organizations.

► **Investing in the development of policy institutes and think tanks** – Foundations in several states have invested in the creation of organizations that provide ongoing, nonpartisan analysis on state Medicaid programs. These organizations

serve as neutral sources of information for policymakers, advocates, and providers. In 2003, the Blue Cross Blue Shield of Massachusetts Foundation (BCBSMA) made a \$1 million grant to create the Massachusetts Medicaid Policy Institute, with a mission to promote broader understanding of *MassHealth* (Massachusetts' Medicaid program) and a more rigorous and thoughtful public discussion of the program's successes and challenges.

Local foundations are also working to build capacity for policy analysis in their states. In Ohio, eight local foundations came together to create the Ohio Health Policy Institute, whose mission is to improve health policy decisionmaking through research, analysis, and communication. While the task was challenging because the state has three different major population centers and no statewide funders, the Ohio effort drew upon similar experiences in other states and, perhaps as a result, the process moved rather swiftly. Funders began talking to stakeholders in the spring of 2002 and subsequently put together a business plan. By February 2003, they were working on the details, and the institute was up and running by late 2003. During the process, they met with state officials, advocates, and other health policy institutes. The project is estimated to cost \$6 million over five years. Another challenge the group encountered was securing start-up and operational grants for a five-year period. Several of the partners could only make one- to three-year grants, although there is an assumption that these grants will be renewed to reach the five-year goal.

- **Building advocacy capacity** – Several foundations provide core operating support to advocacy organizations to strengthen their capacity to respond quickly to emerging issues. With the support of The California Wellness Foundation and other foundations in California, several advocacy organizations representing low-income consumers, minorities, and service providers were able to respond successfully to the state's budget debate. With California facing a \$24 billion deficit, the proposed budget cuts and changes in eligibility rules would have resulted in more than 500,000 eligible recipients being denied care through Medi-Cal. Health advocacy organizations documented the impact of the proposed cuts; organized a broad-based coalition of service providers, consumer groups, and grassroots and faith-based organizations to educate policymakers and opinion leaders; held press conferences in communities across the state to highlight what would happen to local services; pushed for editorials about complex application procedures being proposed that would increase barriers to enrollment; and brought 4,000 low-income people to the state capital to tell their stories and put a human face on the numbers in the budget. Their efforts paid off with the final budget containing only a fraction of the proposed cuts.
- **Supporting specific advocacy campaigns** – Some funders provide support for specific advocacy campaigns either in

addition to or in lieu of providing general operating support to advocacy groups. For example, several New England funders, including The Jessie B. Cox Charitable Trust, provided funding for a multistate campaign to raise tobacco excise taxes. The campaign was the work of the Alliance for a Healthy New England, a coalition of health care providers, consumer groups, and tobacco control organizations, including the American Cancer Society; the Council of New England State Medical Societies; and Community Catalyst, a national consumer advocacy organization. Five of six state coalitions won sizeable tax hikes in 2002 legislative sessions. In several cases, this advocacy effort also resulted in earmarking funds for efforts to improve health care access and fund tobacco prevention and cessation activities.

LESSONS LEARNED

Reflecting on The California Wellness Foundation's grant-making practices and strategies for supporting public policy, Ruth Holton shares some of the lessons the foundation has learned over the years.

- *Realize the importance of core operating support:* These types of grants give grantees the flexibility to respond quickly when new policies threaten their communities. Core support also gives organizations more flexibility to engage in all advocacy activities, while at the same time protects foundations from the limitations on funding lobbying activities. Include a statement in the grant agreement letter that the funds are not earmarked for any attempt to influence legislation.
- *Be patient:* One of the most important things to remember when funding advocacy and policy is that change does not happen quickly. While it may sometimes take years to change policy, supporting advocacy and building analytic capacity have long-term benefits, such as empowered community members and informed decisionmakers.
- *Make realistic expectations for evaluating this work:* Because meaningful policy change takes time, grantmakers may not see the impact of their support in a traditional grant period. Rather than evaluating specific policy change or health outcomes, ask grantees to identify objectives that are measurable stepping stones to achieving their ultimate policy goals (Holton 2002).

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DESIGNING

and Disseminating Effective Messages

Health foundations and corporate giving programs have become increasingly involved in the public policy process. Funders conduct policy analysis and data collection, educate policymakers, shape policy implementation, and work to improve public understanding of health issues. Like other stakeholders attempting to influence the public policy process, many grantmakers are coming to realize that despite their best efforts, their vision does not always translate into their desired outcomes. The information funders produce does not always reach the public; and even when it does, it often fails to generate the public support needed to influence changes in public policy.

For some persistent problems – like expanding health insurance to cover those without it – there is general agreement on goals, but less agreement on the best solutions. Some suggest that consensus is difficult to build because opinion leaders do not transmit information in ways that help the public understand key decision points and trade-offs. This is a particular problem for issues of health and fiscal policy. For example, though Americans acknowledge that the rising number of people without health insurance is a problem, they are not eager to pay higher taxes to cover the costs of coverage expansions. How can this challenge be overcome? Can public attitudes be changed through the use of more effective messages?

“In most cases it’s not new research that is required....The problem is that most of it doesn’t get packaged into a form that can move public debate. What’s needed is the strategic, politically minded marketing of ideas...” (Miller 2003)

COMMUNICATIONS STRATEGIES

In their recent paper *Communications for Social Good* (2004), Susan Nall Bales and Franklin D. Gilliam, Jr. examine foundation opportunities and techniques to leverage social change goals through the use of communications media. They describe seven schools of communications practice that offer funders a wide variety of strategies to educate and persuade different audiences. The first set of practices – public relations, public service advertising, and social marketing – was drawn from the commercial marketing field and is aimed at the individual. The second set of practices – grassroots social mobilization,

policy campaigns, media advocacy, and strategic frame analysis – has emerged from the political arena and is aimed at the mass public.

As health funders look for ways to help shape public opinion and government policies, many are investing in this second set of communications practices in an attempt to reframe familiar debates. For some, this means conducting intensive research on what the public thinks and values. For others, it means funding technical assistance to help advocates redesign the messages they use in their work. Still others are engaging the media as partners. What links these different strategies is the desire on the part of grantmakers to develop new ways to talk about old problems, design messages based on core values, and speak in a language that audiences understand.

OPPORTUNITIES FOR GRANTMAKERS

There are various methodologies for understanding and influencing how the public and policymakers view health policy issues. Following are just a few of the strategies health grantmakers are employing to move forward in this arena.

- ▶ **Funding message development** – How can the staff and trustees of foundations and corporate giving programs know if their messages convey what they want them to convey? For some health funders, the answer lies in research efforts. The New Hampshire-based Endowment for Health continues to investigate the way that community members think about health care, health insurance, and the uninsured – an effort that has been under way since 2002. The foundation has supported research efforts that include an analysis of existing opinion research, both nationally and in New Hampshire; in-depth interviews with policy leaders; original focus groups; and a content analysis of print news media across the country. Through this work, the foundation has been able to identify the public’s core values, develop new messages, and test new models for communicating about health care. For instance, an early analysis of opinion research revealed that despite New Hampshire’s faltering economy, tightening state budget, and history of tax opposition, state residents may be open to effective messages on health policy issues because of their desire to protect health care and their high levels of civic engagement (Bostrom 2002). The Endowment for Health has involved New

Hampshire consumers, providers, employers, and press in this effort, and the foundation's staff and trustees have found that what they have learned has radically altered the way they think and talk about their work.

- **Providing technical assistance to grantees** – For a number of grantmakers, a natural next step after funding message development has been to train their grantees in new methods of strategic communication. The California Wellness Foundation and The California Endowment have been conducting communications research in an effort to make the public case for preserving and expanding access to affordable health insurance and comprehensive health care services in California. In the fall of 2004, advocates who receive foundation support will participate in a series of workshops at which they are trained in message development and have their current communications materials critiqued and revamped. A similar effort is being sponsored by St. Luke's Health Initiatives in Arizona.
- **Incorporating new messages in education campaigns** – Once new messages have been developed and tested, the real work begins. The Connecticut Health Foundation is supporting two campaigns using messages developed after intensive audience research conducted in 2003 and 2004. The foundation has made a one-year grant of more than \$70,000 to the Connecticut Academy of Pediatrics to create an education campaign designed to motivate physicians and other providers to take action to prevent changes to the Medicaid program. The foundation has also awarded a nearly \$180,000 three-year grant to Connecticut Voices for Children to conduct an educational campaign to increase the public's understanding of the impact of state budget choices on children and other vulnerable populations.
- **Supporting innovative media outreach** – In addition to designing campaigns to educate the public about health policy issues, grantmakers are discovering new ways to educate the news media, a primary information source for most Americans. Journalists play an instrumental role in raising social issues, generating public will, and pressuring decisionmakers for policy change.

The Blue Cross Blue Shield of Massachusetts Foundation supports the *Health Coverage Fellowship*, a program for New England journalists that provides nine days of intensive training to 10 reporters and editors from newspapers, radio stations, and television outlets across New England. The goal is to deepen their understanding of the complex and changing world of medicine and health care, with an emphasis on the special problems facing low-income individuals and people without health insurance. The fellowship includes training sessions and field trips, and helps journalists learn the right questions to ask on their medical, business, or general assignment beats, and where to go for answers.

The Henry J. Kaiser Family Foundation sponsors three opportunities for U.S. journalists interested in health reporting. *The Kaiser Media Fellowships in Health* is a midcareer program for print, broadcast, or on-line reporters and editors interested in health policy, health financing, and public health. *The Kaiser Media Mini-Fellowships for HIV/AIDS* program provides travel and research grants for print, broadcast, or on-line journalists interested in reporting on HIV/AIDS in the U.S. and globally. *The Kaiser Media Internships* is a summer internship program for young minority journalists interested in specializing in urban public health reporting. All three programs help journalists improve the quality of their work, deepen their commitment to becoming specialists in health reporting, and encourage in-depth media coverage.

CHALLENGES

Funding message development is not without its challenges. Messaging work relies heavily on public relations and communications firms, and can thus be expensive. In addition, reframing communication strategies is time-consuming work whose effects can be seen only in the long term, making it a hard sell to some trustees and grantees. The work of persuading people to think about issues in certain ways can also be viewed as manipulative, especially by the press, which is not the way funders wish to be perceived. Finally, training advocates on the use of new messages can be discouraging to them, as it suggests that their prior work has not been as effective as it might have been.

Despite these challenges, the grantmakers who fund this work find it exhilarating and full of promise. If these strategies are effective, they will help health funders achieve the kind of long-term transformation in public understanding and opinion that is essential to real, lasting social change.

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THINKING

(and Acting) Outside the Health Box

Whether the setting is City Hall, the State House, or the U.S. Capitol, budget debates tend to focus on who gets cut, creating a zero sum game across health, education, housing, and other human needs. Vulnerable populations rarely have a voice in these decisions. Protecting their interests requires moving the decisions upstream to focus on who needs what and how resources can be directed to those in need. The challenge is to shift the discussion to one about the fundamental purposes of government and societal values, rather than about divvying up the leftovers.

Although those in the fields of health, social welfare, education, and community development have common interests, working together is not always easy. Each field has its own history of program development; its own language; and a unique set of agencies, legislative committees, and stakeholders. In theory, grantmaking organizations are well positioned to help bridge these gaps. In fact, grantmakers can have as much trouble collaborating with others outside their fields as their potential grantees. Described below, however, are some examples of successful collaborations that illustrate that these barriers can be overcome when the stakes are high.

WORKING TOGETHER TOWARD COMMON GOALS

Coalitions are working at both the state and federal levels to shift the debate on spending and taxes. Grantmakers have been involved in these efforts to different extents, sometimes by funding specific activities, including technical assistance, policy analysis, and media campaigns and, in other cases, by providing core operating support.

► **Building analytic capacity** – The State Fiscal Analysis Initiative (SFAI) focuses on strengthening the capacity of state-level advocates to provide credible analyses of budget and tax policy issues. Funded since 1993 by several major national foundations – The Annie E. Casey Foundation (AECF), the Ford Foundation, and the Charles Stewart Mott Foundation (and more recently by the Open Society Institute and the Stoneman Family Foundation) – the initiative is coordinated by the Center on Budget and Policy Priorities in Washington and now includes 28 grantees across the U.S. The grantee organizations are diverse in their origins and focus. They include advocacy organizations focused on chil-

dren's issues that are also part of AECF's Kids Count network (for example, Voices for Illinois Children and the Children's Action Alliance in Arizona). Others are state associations of nonprofit organizations. A few, such as the California Budget Project and the Maine Center for Economic Policy, focus exclusively on fiscal policy. Many of these organizations are also funded by local and state-based health foundations. The Center on Budget and Policy Priorities acts as research partner, technical assistance provider, and convenor for SFAI grantees (Center on Budget and Policy Priorities 2004).

With over 10 years of work put in, the initiative's track record is impressive. In 2000, the California Budget Project worked with policymakers and those in the community to secure more than \$500 million in state funding for affordable housing initiatives, the largest such allocation ever in California. During the period of SFAI's work, the number of states offering an earned income tax credit almost tripled (Ellis 2003). Every grantee has produced a major report on either state fiscal problems or the impact of federal proposals on state fiscal conditions. Grantees have also become adept at conducting analyses and disseminating their findings in fluid policy environments that require quick turnaround, and using language that opinion leaders and policymakers can quickly grasp. Other accomplishments include organizing and participating in coalitions, engaging in public education campaigns, and becoming sources of credible information for the media (Center on Budget and Policy Priorities 2004).

► **Raising public awareness about the impact of policy decisions** – Over the past several years, the Minneapolis Foundation and the Minnesota Association of Nonprofits have worked together on two different public information campaigns to encourage Minnesotans to consider the impact of proposed budget cuts on quality of life in the state. These included significant cuts in the state's Medicaid program and elimination of health promotion and disease prevention programs that had been funded with tobacco settlement dollars. *Think Twice Before Your Cut*, launched in early 2002, featured print ads and posters showing the consequences of cuts. In one, a child's sign read, "If we cut funding for nonprofits, will you let me come to your house after school?" Another of a senior in a wheelchair read, "If we cut funding to nonprofits, will you bring me a hot meal

tonight?” And the third showed a mother with two children holding a sign that said, “If we cut funding to nonprofits, will you help me get a job to support my family?” The campaign asked citizens to contact their elected officials during the legislative session to voice their support for the work of nonprofits in their communities.

A second campaign, *Deleted for Budgetary Reasons*, coincided with the 2003 state legislative session. In one ad, a young couple poses with their baby, whose face is scribbled over with a black marker. The copy below brought attention to the impact of proposed budget cuts on working families. In others, the black marker is scribbled over the face of an elderly woman and a firefighter. This campaign included radio ads and a Web site, www.GoodforMinnesota.org, which offered summary information on the proposed cuts in health, senior, and youth services, as well as tips on contacting legislators and practical information on advocacy strategies. Although the campaign did not suggest specific alternatives, editorials in many of the state’s newspapers mentioned the ads in their calls for alternatives to the governor’s proposed budget.

Another example of an effort to raise public awareness about the impact of policy decisions comes from the Fair Taxes for All coalition, a collaboration of more than 300 organizations including labor unions, religious groups, and both national and community-based advocacy organizations. The coalition was formed in 2000 around the common notion that tax cuts threatened the services to populations these advocates cared about. One of the campaign’s achievements was reducing the size of the federal tax cut by half from what had been originally proposed. In this effort, messages focused on federal policymakers and framed the issue as one of fairness and the meritocratic value of educating children (Grantmakers Income Security Task Force 2004). Most recently, the campaign’s messages have focused on the impact of deficits on young adults.

- **Providing core operating support** – The rules for funding advocacy make clear that private foundations cannot earmark funding for lobbying without incurring a taxable expenditure. That does not mean private foundations cannot fund advocacy. In fact, grants for core operating support, even for organizations that do lobby, are permissible. Core support to advocates can provide the flexible funding these organizations need to engage in both public education campaigns and direct lobbying on specific legislation. For example, The California Wellness Foundation has provided core operating support to the California Budget Project for policy analysis and public education to assess the impact of state fiscal policies on the health and well-being of low- and middle-income Californians. The California Endowment also provides major support to this organization for work to build the capacity of community-based organizations to advocate more effectively on budget issues.

- **Informing the public policy debate** – Because grantmakers are often seen as a neutral voice, they can be effective in informing the debate on public policy issues. In the face of severe budget constraints in the state of Florida, the Florida Philanthropic Network, a coalition of funders including the Allegany Franciscan Foundation, the Dade Community Foundation, the Health Foundation of South Florida, the John S. and James L. Knight Foundation, and the John D. and Catherine T. MacArthur Foundation, commissioned the Urban Institute to study the state’s efforts to maximize federal dollars for 11 federal programs, including Medicaid, SCHIP, Temporary Assistance for Needy Families (TANF), and a variety of other federal block grant and entitlement programs serving low-income families (Carasso and Bess 2003). Network leaders credit the resulting report with starting a productive statewide discussion about the roles and responsibilities of the state’s nonprofit sector and the sustainability of its efforts in the face of pressing human needs.

To learn more about these collaborative efforts, visit the following Web sites:

California Budget Project
www.cbp.org

Deleted for Budgetary Reasons
www.goodforminnesota.org

Fair Taxes for All
www.fairtaxes4all.org

Florida Philanthropic Network
www.charityadvantage.com/fpn/Home.asp

State Fiscal Analysis Initiative
www.cbpp.org/sfai.htm

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RESOURCES

on Health and Fiscal Policy

GENERAL RESOURCES

ORGANIZATIONS

The Brookings Institution
Washington, DC
202.797.6000
www.brookings.edu

The Brookings Institution is an independent, nonpartisan organization devoted to research, analysis, and public education. The think tank's work focuses heavily on economics, foreign policy, governance, and metropolitan policy. The U.S. Economics section of its Web site includes links to publications on health care financing, budget and fiscal policy, and tax policy.

California Budget Project
Sacramento, CA
916.444.0500
www.cbpp.org

The California Budget Project (CBP) provides information and analysis of state policy issues to the media, policymakers, and state and local constituency groups. Through independent fiscal and policy analysis, public education, and collaboration with other organizations, CBP works to improve public policies affecting the economic and social well-being of low- and middle-income Californians. Its Web site posts up-to-date information about the state budget and proposed ballot initiatives, and provides policy analysis (for example, the impact of increases in the state minimum wage). CBP also publishes a quarterly newsletter, *Budget Watch*, on important developments in state and federal policy.

Center on Budget and Policy Priorities
Washington, DC
202.408.1080
www.cbpp.org

The Center on Budget and Policy Priorities works at the federal and state levels on fiscal policy and public programs that affect low- and moderate-income families and individuals. The center conducts research and analysis to inform public debates over proposed budget and tax policies; develops policy options to alleviate poverty, particularly among working families; and examines the short- and long-term impacts that proposed policies would have on the health of the economy and on the soundness of federal and state budgets. The center's

State Fiscal Analysis Initiative works with a network of 28 state organizations to strengthen their ability to analyze state budget and tax proposals and policies. The center's Web site provides detailed analyses of several key research areas, including the earned income tax credit, federal budget and tax, health policies, and state fiscal policies.

Coalition on Human Needs
Washington, DC
202.223.2532
www.chn.org

The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies that address the needs of low-income and other vulnerable populations. CHN tracks a wide variety of human needs issues at the federal and state levels and provides members and the general public with federal analyses, news reports, congressional updates, and other breaking news. CHN publishes a bimonthly legislative newsletter, *The Human Needs Report*; legislative analyses, issue briefs, fact sheets, and action alerts; the *Directory of National Human Needs Organizations*; and other informational materials. The Web site makes available action alerts, a calendar of events, *The Human Needs Report*, issue briefs, and media tips.

Congressional Budget Office
Washington, DC
202.226.2600
www.cbo.gov

The mission of the Congressional Budget Office (CBO) is to provide the U.S. Congress with the objective, timely, nonpartisan analyses needed for economic and budget decisions and with the information and estimates required for the congressional budget process. CBO is a professional, nonpartisan staff office; it does not make recommendations on policy. The Web site features publications and cost estimates on various subject areas, including budget and economic information, health, and taxes.

Grantmakers Income Security Taskforce
c/o The Finance Project
Washington, DC
202.587.1000
www.financeprojectinfo.org/gist

The Grantmakers Income Security Taskforce (GIST) is a group of funders whose broad focus is on issues of poverty. GIST

serves as a forum for grantmakers to keep abreast of changing public policy, new program implementation, emerging research, and current grantmaking strategies. GIST holds meetings on income security and poverty, supports several working groups organized around more narrowly focused segments of income security issues, and periodically collaborates on funding projects of mutual interest. The GIST Web site features meeting summaries, information on grantmakers and areas of grantmaking, and a CD-ROM that is designed as a resource for grantmakers who want to learn more about and become engaged in influencing federal and state tax and budget policy decisions.

National Association of State Budget Officers

Washington, DC

202.624.7745

www.nasbo.org

The National Association of State Budget Officers (NASBO) is the professional membership organization for state finance officers. NASBO's mission is to improve the quality and availability of information to state budget offices, provide opportunities to share practices across states, provide training and research information through publications and seminars, and assist the National Governors Association in the development and implementation of its policy positions on fiscal issues. NASBO's publications include its semi-annual *The Fiscal Survey of States*, the annual *State Expenditure Report*, and the biennial *Budget Processes in the States*. Other reports present research and comparative analysis on topics such as capital budgeting, and information briefs are developed on important fiscal issues. All reports and briefs are available on-line.

Urban Institute

Washington, DC

202.833.7200

www.urban.org

The Urban Institute is a nonprofit, nonpartisan policy research and educational organization that examines the social, economic, and governance challenges facing the nation. Much of the organization's research is conducted through its various policy centers, including the Health Policy Center, which explores the dynamics of the health care market in light of health care financing, costs, and access. The institute's Web site offers links to its policy centers, new reports, and research information by topic.

U.S. Department of Treasury

Washington, DC

202.622.2000

www.ustreas.gov

The U.S. Department of Treasury is the primary federal agency responsible for the economic and financial prosperity and security of the U.S. and, as such, is responsible for a wide range of activities, including advising the president on economic and financial issues, promoting the president's economic policy agenda, and enhancing corporate governance in financial insti-

tutions. The basic functions of the treasury include managing federal finances; collecting taxes, duties, and monies paid to and due to the U.S. and paying all bills of the U.S.; managing government accounts and the public debt; advising on domestic and international financial, monetary, economic, trade, and tax policy; and enforcing federal finance and tax laws. The treasury's Web site contains numerous documents on taxes and economic issues, including health savings accounts.

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DESIGNING AND DISSEMINATING EFFECTIVE MESSAGES

ORGANIZATIONS

Communications Consortium Media Center

Washington, DC

202.326.8700

www.ccmc.org

The Communications Consortium Media Center

(CCMC) helps nonprofit organizations use media and new telecommunications technologies as tools for public education and policy change. The center's Web site includes quick tips and information on the center's guide to strategic communication for nonprofit organizations.

The Communications Network
Silver Spring, MD
301.589.4262
www.comnetwork.org

The Communications Network is a nonprofit membership organization that provides the philanthropic community with leadership, guidance, and resources that assist in promoting strategic communications as an integral part of effective philanthropy. The network's Web site includes information on new training programs, best practices, research, articles, and resources.

FrameWorks Institute
Washington, DC
202.833.1600
www.frameworksinstitute.org

FrameWorks designs, commissions, manages, and publishes communications research to prepare nonprofit organizations to expand their constituency base, build public will, and further public understanding of specific social issues. The organization works closely with social policy experts familiar with the specific issue, and its work is informed by a team of communications scholars and practitioners who are convened to discuss the research problem and to work together in outlining potential strategies for advancing remedial policies. The Web site contains a number of communications products and publications available for download.

SPIN Project
San Francisco, CA
415.284.1420, ext. 309
www.spinproject.org

The SPIN Project (Strategic Press Information Network) provides media technical assistance to nonprofit public interest organizations across the nation that want to influence debate, shape public opinion, and garner positive media attention. The Web site offers training information, tutorials, and toolkits.

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W. K. Kellogg Foundation, *Communications Toolkit* (Battle Creek, MI: August 2004). Available on-line at www.wkkf.org/Toolkits/Communication.

Miller, Matthew, "A Challenge for Liberal Foundations," *The Chronicle of Philanthropy*, September 18, 2003.

ENGAGING ON TAX ISSUES

ORGANIZATIONS

The Institute on Taxation and Economic Policy
Washington, DC
202.737.4315
www.itepnet.org

The Institute on Taxation and Economic Policy (ITEP) is a research and education organization that works on federal and state government taxation and spending policy issues. ITEP's Web site provides access to information regarding state and federal tax systems and how they affect taxpayers at different income levels. ITEP has also developed a microsimulation tax model that calculates revenue yield for current tax law and proposed amendments. The model can also provide information on the effect of tax laws and proposals on groups of taxpayers specified by marital status, existence of children in the family, and age.

National Community Tax Coalition
Chicago, IL
312.252.0280
www.tax-coalition.org

The National Community Tax Coalition, a project of the Center for Economic Progress, works with community-based organizations and others to connect working families to tax benefits. The coalition's Web site provides access to tools and technical assistance for free tax preparation and financial service programs (requires free registration).

State Fiscal Analysis Initiative
Washington, DC
202.408.1080
www.cbpp.org/sfai.htm

Supported by several national foundations, the initiative seeks to strengthen the contributions of state-level nonprofit organizations to policy debates by enhancing their ability to provide reliable budget and tax analysis. The State Fiscal Analysis Initiative (SFAI) consists of 28 state organizations and the Center on Budget and Policy Priorities. Since the inception of the project, the state organizations have produced major reports on state fiscal problems or the impact of federal proposals on state fiscal conditions. In addition, the state organizations have developed the capacity to analyze immediately pending fiscal developments and disseminate their analyses through fact sheets, newsletters, and bulletins to organizations, opinion leaders, and policymakers. The SFAI Web page on the Center on Budget and Policy Priorities Web site features a description of the project and a list of participating state organizations.

Tax Policy Center
Washington, DC
202.833.7200 or 202.797.6000
www.taxpolicycenter.org

The Tax Policy Center, a joint venture of the Urban Institute and The Brookings Institution, was initially formed out of a need to clarify and analyze the nation's tax policy choices. Nationally recognized experts in tax, budget, and social policy drive the work of the center, which provides timely, accessible analysis and facts about tax policy to policymakers, journalists, interested citizens, and researchers. Its major offerings are model estimates, publications, and tax facts, all of which are available through the Web site.

U.S. Internal Revenue Service
Stakeholder Partnership Education and Communication
Atlanta, GA
404.338.7149
www.irs.gov/localcontacts/article/0,,id=98270,00.html

The IRS Stakeholder Partnership Education and Communication office builds partnerships with organizations that are interested in conducting outreach and providing tax education and assistance to individuals and families. The IRS can supply educational materials for use in outreach campaigns, as well as technical assistance on developing outreach and education campaigns.

PUBLICATIONS

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McIntyre, Robert S., Robert Denk, Norton Francis, et al., *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, 2nd Edition* (Washington, DC: The Institute on Taxation and Economic Policy, 2003). Available on-line at www.itepnet.org/whopays.htm.

The Praxis Project, *A Tool Kit: Fighting Back on Budget Cuts* (Washington, DC: 2003). Available on-line at www.thepraxisproject.org/toolkit/.

Seaman, Bruce A., *The Economics of Cigarette Taxation: Lessons for Georgia* (Atlanta, GA: Fiscal Research Center, 2003). Available on-line at http://frp.aysps.gsu.edu/frp/frpreports/Report_89/index.htm.

OTHER RESOURCES

The Money Trap is a documentary video that highlights common financial predicaments encountered by low-income consumers, including predatory tax preparation and refund advance loan schemes. The Annie E. Casey Foundation funded the development of the video, which was produced by N.A.K. Productions (in association with The Hatcher Group and the Aspen Institute). Copies of the video can be obtained from The Hatcher Group by calling 301.656.0348 or e-mailing slgilbert@thehatchergroup.com.

SUPPORTING ADVOCACY AND POLICY ANALYSIS

ORGANIZATIONS

Alliance for Justice
Washington, DC
202.822.6070
www.afj.org

The Alliance for Justice is a national association of environmental, civil rights, mental health, women's, children's, and consumer advocacy organizations that works to strengthen the public interest community's ability to influence public policy and foster the next generation of advocates. Since 1995, the Alliance for Justice has also been working to increase foundation support to organizations that seek to influence policy and public opinion. Under the *Foundation Advocacy Initiative*, the Alliance for Justice works with regional associations of grantmakers and affinity

groups to organize meetings and workshops to address pressing legal concerns for foundations. The Alliance for Justice's Web site offers a host of information on nonprofit lobbying and advocacy, including *Foundation Advocacy Bulletin* and other publications, and a technical assistance section specifically targeted to answering foundation questions.

Charity Lobbying in the Public Interest
Washington, DC
202.387.8060
www.clpi.org

Charity Lobbying in the Public Interest (CLPI) is working to dispel the myths that lobbying by charities is unimportant, inappropriate, or illegal by providing information on the role of lobbying in achieving an organization's mission. The Web site offers a number of resources on nonprofit lobbying, including a self-guided training session on lobbying, publications on lobbying regulations for nonprofits, information on educating voters and candidates, and links to other resources and organizations.

Grantmakers In Health
Washington, DC
202.452.8331
www.gih.org

One of the goals of Grantmakers In Health (GIH) is to build understanding between health grantmakers and policymakers about mutual interests, and to help support grantmakers in their efforts to fund policy-relevant projects. The organization's work focuses on: communicating with health grantmakers about the relevance of public policy to their work and providing opportunities for grantmakers to learn more about specific health policy issues (such as Medicaid, Medicare, racial and ethnic disparities, and coverage for the uninsured); providing training and technical assistance to grantmakers about funding policy-related work; connecting grantmakers with strong interests in health policy; raising the awareness among policymakers about the work of health philanthropy; and building relationships with government agencies. The GIH Web site features a "Connecting Policymakers and Grantmakers" page, which includes links to GIH publications, profiles of health grantmakers' work in the policy arena, and information on past and upcoming public policy audioconferences.

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(Los Angeles, CA: The Center on Philanthropy and Public Policy, August 2003). Available on-line at www.usc.edu/schools/sppd/philanthropy/pdf/FPP_report.pdf.

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Walker, Vernetta, and Sue Hoehstetter, Alliance for Justice, "Funding Advocacy: What's Legal, What Works," presented as part of the Grantmakers In Health public policy audioconference series, May 8, 2003. Available on-line at www.gih.org/info-url3991/info-url_show.htm?doc_id=203860.

UPDATE ON MEDICARE AND MEDICAID POLICY

ORGANIZATIONS

Centers for Medicare & Medicaid Services
Baltimore, MD
410.786.3000
www.cms.hhs.gov

The Centers for Medicare & Medicaid Services (CMS) administers the Medicare program and works in partnership with the states to administer Medicaid, the State Children's Health Insurance Program (SCHIP), and health insurance portability standards. CMS is responsible for the administrative simplification standards from the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and quality standards in health care facilities through its survey and certification activity. CMS offers a broad range of quantitative information on the agency's programs, from estimates of future Medicare and Medicaid spending to enrollment, spending, and claims data. Research publications, CMS data and statistics, and links to other federal research sources are available on the Web site.

The Commonwealth Fund
New York, NY
212.606.3800
www.cmwf.org

The Commonwealth Fund supports independent research on health and social issues and makes grants to improve health care practice and policy. One of the fund's main program areas is improving health insurance coverage and access to

care, through which it has conducted analyses of Medicare reform and prescription drug coverage, as well as policies affecting Medicaid and the State Children's Health Insurance Program. Publications, comparisons of recent health care legislation, and other related documents are available on the fund's Web site.

The Henry J. Kaiser Family Foundation
Washington, DC
202.347.5270
www.kff.org

The Henry J. Kaiser Family Foundation (KFF) is an operating foundation focusing on the major health care issues facing the nation. The foundation's Medicare Policy Project conducts research and analysis on current Medicare policy issues; monitors key trends; and produces fact sheets, resource books, and reports to inform policy discussions. The foundation's Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for low-income populations, with a special focus on Medicaid. The foundation provides publications and program information at www.kff.org, health policy news and events at www.kaisernetwork.org, state-level data at www.statehealthfactsonline.org, and resources for faculty and students at www.kaiseredu.org.

National Academy for State Health Policy
Portland, ME
207.874.6524
www.nashp.org

The National Academy for State Health Policy is a nonprofit, nonpartisan organization dedicated to helping states achieve excellence in health policy and practice. The staff conducts policy analysis; provides training and technical assistance to states; produces informational resources; and convenes state, regional, and national forums. The work of the organization is currently focused on the following areas of health reform: access for the uninsured, family and community health, the health care marketplace, long-term and chronic care, and managed care and purchasing strategies. The Web site makes available publications, information on programs and research, and conference materials.

PUBLICATIONS

Cooper, Barbara S., and Sabrina How, *Medicare's Future: Current Picture, Trends, and Medicare Prescription Drug Improvement & Modernization Act of 2003* (New York, NY: The Commonwealth Fund, February 2004). Available on-line at www.cmwf.org/publications/publications_show.htm?doc_id=221240.

Kaiser Commission on Medicaid and the Uninsured, *The Continuing Medicaid Budget Challenge: State Medicaid Spending Growth and Cost Containment in Fiscal Years 2004 and 2005* (Menlo Park, CA: The Henry J. Kaiser Family

Foundation, October 2004). Available on-line at www.kff.org/medicaid/7190.cfm.

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Moon, Marilyn, *How Beneficiaries Fare Under the New Medicare Drug Bill* (New York, NY: The Commonwealth Fund, June 2004). Available on-line at www.cmwf.org/publications/publications_show.htm?doc_id=227453.